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SUBJECT: FIFTH COMMITTEE ACTION ON THE 2010-2011 BUDGET

REF: A. USUN 00005
[1](#)B. USUN 00007

SUCCESS ON CRITICAL MANAGEMENT REFORMS AND PRIORITY USG
OBJECTIVES WITH MODEST GROWTH IN BUDGET.

[1](#)1. (U) Summary: The main session of the 64th General Assembly (GA) concluded early on the morning of December 24, 2009 with the adoption of a \$5.16 billion 2010-2011 biennium budget. The Secretary-General initially proposed a 2010-2011 budget of \$4.88 billion. However, at the time of his initial proposal, the SYG identified a number of add-ons that would have potentially increased the initial budget proposal to \$5.3 or \$5.4 billion. Such an increased budget would have represented a growth of some 10% beyond the 2008-2009 budget, which already represented a growth of some 15% from the 2006-2007 budget. USUN sought to restrain the overall increase while ensuring priorities were met. Those priorities included, among others, the strengthening of United Nations, Department of Safety and Security (DSS) and the launching of the Enterprise Resource Planning (ERP) system. USUN was successful in restraining growth for the 2010-2011 budget to \$5.16 billion, which amounted to an increase of \$357 million (7.5%) from the final 2008-2009 budget. END SUMMARY

USUN SUCCESSFUL ON PRIORITY OBJECTIVES

[1](#)2. (U) 2008-2009 Budget Reduced: As a result of the final performance report and final re-costing, the final UN budget for the 2008-2009 biennium was \$4.799 billion --- a decrease of some \$85 million (see A/64/545). The following areas showed the largest reductions:
International Cooperation for Development (\$13.4 million);
Regional Cooperation for Development (\$27 million); Human Rights and Humanitarian Affairs (\$14.5 million); Staff Assessment (\$26.6 million); Political Affairs (\$8.7 million); Safety and Security (\$7.3 million); and the Development Account (\$5 million.)

[1](#)3. (U) 2010-2011 Regular Budget Approved: A program budget for the 2010-2011 biennium of \$5.16 billion was approved and represents a 7.5% increase from the 2008-2009 budget. The largest increase by area included the Development Account (22%), Safety and Security (19%), Political Affairs (13%), Human Rights and Humanitarian Assistance (13%). Special initiatives like the ERP project also received considerable additional resources. The U.S., along with other major donors, was successful in reasonably restraining growth in a number of areas while at the same time identifying a number of savings.

[1](#)4. (U) DSS Gets Much Needed Funding: Over the last 18 months, DSS has operated without any increase in their 2008-2009 budget despite enduring attacks on UN personnel in Algeria, Afghanistan, Pakistan and other missions and having requested supplemental funding from the GA. This session, the GA approved \$242 million of the SYG,s requested \$295 million, in line with the Advisory Committee on Administrative and Budgetary Questions, (ACABQ) recommendations for 2010-2011 and additional security needs. The funding will allow U/SYG Starr to begin to implement his

new management priorities including training staff, augmenting risk/threat analysis capacity and increasing deployment of security personnel. An attempt was made by the G-77 to continue to fund DSS at the 2008-2009 (maintenance) level without any additional funding for urgent security needs. They argued that it was premature for the Committee to appropriate additional resources without having a complete picture of worldwide security needs as well as the fact that the SYG had indicated that he would be presenting additional funding proposals for safety and security in regard to Afghanistan and Pakistan during the first resumed session. The US and others, including CANZ and Switzerland, argued that additional resources were needed now to address immediate security needs. In the end, the G-77 agreed to go along with ACABQ recommended funding level, which the West supported. The GA also approved the SYG's request, which was endorsed by the ACABQ, to utilize \$7.9 million from the UNAMA budget for a four-month period to meet immediate security needs in Afghanistan. The amount taken from the UNAMA budget will be replenished when the SYG submits his formal funding proposal for emergency funding for Afghanistan and Pakistan at the first resumed session of the 64th GA in March.

15. (U) Substantial Growth In Special Political Missions including UNAMA and UNAMI: The SYG, in the budget outline for 2010-2011 initially requested \$828.9 million. In line with established practice, the GA only approved at this time the 2010 budgets for 27 Special Political Missions (SPMs) in the amount of \$569.5 million, a reduction of \$30 million or five percent from the SYG's proposal of \$599.9 million. Given that the 2010 SPM requirements consumed most of the initial biennium estimate and that needs are likely to go up for 2011, it is expected that the SPM budget for 2010-2011 could be as high as \$1.1 billion overall. The 2010 funding includes \$232 million for the UN Assistance Mission in Afghanistan (UNAMA) and \$159 million for the UN Assistance Mission in Iraq.

16. (U) ERP Launched: The GA generally endorsed the SYG's proposal for moving forward with the implementation of his long awaited ERP initiative. Despite initial reservations from numerous delegations, the SYG received funding to launch his Pilot First option, which was accepted as the most cost effective and risk adverse approach to implementing this major UN reform. This was a success for the U.S., which strongly supported this approach throughout the negotiations. The ERP will replace obsolete and redundant ICT platforms with a single globally comprehensive system, and in the process standardize Secretariat business processes and administrative functions. It is also the backbone for implementation of another key reform application: the International Public Sector Accounting Standards (IPSAS). The GA agreed to move ahead with the project by approving \$24.1 million (\$12 million in commitment authority) from the regular budget and \$28.5 million from the peacekeeping support account. The GA also responded to the concern of the U.S. and other delegations regarding potential cost overruns, timeline of project implementation, and delivery of what has been promised by imposing strict oversight on the project's management and requiring yearly progress reports. The GA also required that all future resource requirements for ERP be included in subsequent budget proposals. It also requested the SYG to report at each session on expenditures incurred; justification of the utilization of resources from the peacekeeping support account; and options for further lowering the cost of the project.

17. (U) International Trade Centre Bolstered: The GA approved additional resources for ITC for 2010-2011 (\$29.7 million) in line with the recommendation of the ACABQ.

18. (U) Upgrading of NY Human Rights Office: The GA approved the upgrade of the head of the Office of the High Commissioner for Human Rights in New York from a D-2 to Assistant Secretary Level. This upgrade was one of the highest priorities for the U.S. and working with other like-minded countries (CANZ, Switzerland, Norway), the U.S. was able to obtain GA approval despite strong opposition from

India and others who opposed the upgrade on technical grounds.

OTHER GAINS

¶9. (U) Budgetary Discretion Continued: The Committee considered the SYG,s belated request to extend and increase his budgetary discretion authority that had been granted in 2006 on an experimental basis. This authority allowed the SYG to enter into commitments of up to \$20 million during each of the previous two biennia. The SYG provided information on his use of Qority and requested it be expanded to \$30 million. Following the introduction of this item, which occurred very late in the session, the G-77 proposed deferring it. They argued that the Committee was not given adequate time to consider the proposal and there were no valid reasons why the request was so late. While most other delegations, including the West, agreed in principle with the G-77,s concerns, they did not support completely deferring the item. In the end, the GA decided to extend the SYG,s existing authority for three months and consider the SYG,s request in the first resumed session.

¶10. (U) Associated Costs for the Capital Master Plan Absorbed: Consistent with US objectives, the GA called for any CMP &associated costs8 in 2010 to be absorbed within the existing budget for the CMP.

SUCSESSES IN IDENTIFYING SAVINGS AND EFFICIENCIES

11: Recosting, Vacancy Rate and Other Efficiency Cuts: The GA decided not to assess half of the amount subject to recosting in 2010 which will save Member States approximately \$44 million. The GA also raised the established vacancy rate from 6.5% to 9.6% for professional posts, 3.5% to 4% for general service staff and 27.2 to 28.2 for field security staff in order to more accurately reflect the staffing within the UN and to address over-budgeting due to an inaccurate vacancy rate. In addition, the GA reduced non-post resources by 2% with the exception of the Development Account and the Office of Central Support Services; reduced the use of consultants by 7% for 2010-2011, and cut \$1 million for external printing.

¶12. (U) No Supplemental Resources for ICT: The Office of Information and Communication Technology (OICT) requested supplemental resources for the implementation of Enterprise Content Management (ECM) and Customer Relations Management (CRM) initiatives. However, the GA decided not to appropriate resources for this &add-on8, saving some \$18

million. The EU, supported by the G-77, were intractable in their opposition to these initiatives arguing that each could be implemented with existing resources. The OICT must now begin deploying these programs with existing resources during 2010 in order to avoid incurring penalties should some 10,000 user licenses already purchased go unused. The Assembly requested that the SYG submit a new proposal for the 2012-13 biennium. A total of \$1.5 million was approved for the development of a unified disaster recovery plan for maintaining the Brindisi enterprise data center.

DISAPPOINTMENTS

¶13. (U) Development Account: Throughout the session, the G-77 questioned whether resources were being equitably distributed among peace and security; development and human rights and consequently proposed language that would have increased the Development Account (DA) to \$200 million from its 2008-09 level of \$18.5 million. While it was universally understood that the figure was posturing by the G-77, the West, in the end, sought to limit the growth of the fund to around \$5 million. The GA ultimately recommended that the DA receive \$5 million from the 2010-2011 regular budget and \$7.5 million from unencumbered balances from the previous biennium. The GA also decided to establish one P-5 and one P-4 post to provide program support to the DA. These posts were requested under the Development Pillar strengthening proposal during the 63rd GA, but the GA took no decision on

them at that time. The G-77 was also particularly resolute in supporting the United Nations support for the New Partnership for Africa's Development and Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

¶14. (U) Policy Making, Direction and Coordination: The GA decided to establish an Under-Secretary General's post at the UN office in Nairobi, an issue of great importance to the G-77. The Committee also agreed to establish a P-4 legal research post for the Registry of the United Nations Dispute Tribunal in New York.

OTHER ITEMS

¶15. (U) Israel Isolated On Funding For Human Rights Council: Israel requested that a vote be held on PART V of the budget resolution on special subjects. Part V of this resolution took note of the SYG's reports on financial estimates resulting from resolution S-9/1 adopted by the Human Rights Council during its ninth special session. (Resolution S-9/1 called for an independent international fact-finding mission, whose findings were later referred to as the Goldstone Report, to be dispatched to Israel and the Palestinian territories to investigate the military action that had taken place in Gaza in December 2008). The vote was 136 in favor (U.S.), 2 against (Israel, Guatemala) (Note: Guatemala clarified that they had accidentally voted no, but had intended to vote in favor), and 3 abstentions (Benin, Cameroon, and Cote d'Ivoire). In an explanation of vote, Israel said it could not support expenditure or allocation of funds that endorsed and permitted the work of any such mission that was established with predetermined conclusions. The U.S. made an explanation of position and stated it voted in favor because of its support for several activities that were funded through Part V, including the mandate of the independent expert in Sudan, the extension of the work of the Special Rapporteur to the DPRK and Burma, and assistance to Somalia in the area of human rights. The U.S. further clarified that the vote should not reflect any change in opinion on the outcome of the Goldstone Report. Following the vote, the Fifth Committee adopted the resolution as a whole.

¶16. (U) Increase of International Staff for UNRWA: The SYG requested three international posts for UNRWA to strengthen its management capacity and in support of UNRWA's Organizational Development Plan. Following the submission of the SYG's request, UNRWA Commissioner General Karen AbuZayd directly appealed to Member States to approve 11 additional international posts for this same need and due to the fact that bilateral voluntary funding for these positions were expiring. The GA decided to approve the 3 posts requested by the SYG as well as the 11 additional posts for a total of 14 for 2010-2011.

¶17. (U) Human Resources Management: Earlier in the session, the General Assembly decided to defer consideration of the human resources management (HRM) agenda item. As a result, the G-77 attempted to use the budget resolution as a vehicle for passing policy language that would normally be adopted in an HRM resolution. Most troublesome policy paragraphs were successfully defeated by the West. One paragraph was retained requesting the Secretary-General not take measures on geographic mobility until the GA had an opportunity to consider the mobility policy. This paragraph was drafted in response to revelations that the SYG intended to establish

high mobility requirements for senior officials as of 1 January 2010. In previous weeks, senior UN officials privately approached USUN with concerns about the requirements, indicating that their application would put both internal candidates and female candidates at a disadvantage. The Fifth Committee is expected to consider the mobility policy along with other outstanding HRM issues during the sixty-fifth session in fall 2010.

¶18. (U) Special Advisor for Africa: One cost-saving measure proposed by the SYG and endorsed by the Office of Internal

Oversight (OIOS) to merge the functions of the Special Adviser on Africa with that of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States was met with resolute opposition from the G-77. The GA had disagreed with this proposal during the 63rd GA and the G-77 were angered that the idea was still being promoted by the SYG and further promulgated by OIOS as a good idea that still merited consideration. They urged the SYG to fill the Special Advisor position immediately. This became a contentious issue that was raised in almost all negotiations on various agenda items including program planning. Subsequently, the GA approved a program planning resolution that reiterated that the OIOS should not propose changes to legislative decisions and mandates already approved by intergovernmental bodies.

DEFERRED ITEMS

119. (U) Several items with budget implications were deferred for action until the first resumed session in March. Most notably among these items is the SYG,s proposal for \$85 million emergency funding for strengthening safety and security in Afghanistan and Pakistan. Also to be considered is the SYG,s proposal to extend and expand his limited budgetary discretion authority; the SYG,s report on Procurement Activities and the five year review of OIOS.
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